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POLICY

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India

Post: New Delhi

Tariffs Increased and Additional Fees with 2018-19 Budget

Report Categories:

Agriculture in the Economy

Agriculture in the News

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Tree Nuts

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Report Highlights:

On February 1, 2018, Finance Minister Arun Jaitley presented the Government of India's (GOI) annual budget for Indian Fiscal Year (IFY) 2018/19. The GOI, with immediate effect, increased tariffs on several imported agricultural products; including, fruit juices, crude and refined edible vegetable oils, and several other agricultural and non-agricultural items. Further, the GOI proposed additional fees (or, *cess*) that are scheduled to enter in effect upon enactment of *Finance Bill 2018*.

General Information:

On February 1, 2018, the Ministry of Finance presented India's annual budget for IFY 2018/19 which runs from April 1, 2018 to March 31, 2019. With each annual budget, the GOI has an opportunity to review the structure of import tariffs and through its annual budget, propose and implement changes to India's Customs and Central Excise Board regulations and duty rates. This year, the GOI's Tax Research Unit issued this hyperlinked [notice](#) to India's Customs Commissioners of various tariff changes as part of the Finance Bill 2018.

The changes, below, in the BCD are scheduled to enter into force with immediate effect from midnight February 1/February 2, 2018, Indian Standard time. Custom duty changes announced in the Budget are typically not reversed from one year to the next.

Import duties on food and agricultural products are occasionally reduced to zero when there is concern about food price inflation or tight supplies, but may sometimes be increased. Food and agricultural products seldom are considered for permanent changes in the tariff structure; however, the recent announcement increases the Basic Custom Duties (BCD) for a number of agricultural goods except for cashew nuts.

- Chapter 08:
 - HS 08013100: cashew nuts from 5 percent to 2.5 percent

- Chapter 15:
 - Crude edible vegetable oils like groundnut oil, olive oil, cotton seed oil, safflower oil, saffola oil, coconut oil, palm kernel/ babassu oil, linseed oil, maize oil, corn oil, castor oil, sesame oil, other fixed vegetable fats and oils from 12.5 percent to 30 percent.
 - Refined edible vegetable oils like groundnut oil, olive oil, cotton seed oil, safflower seed oil, saffola oil, coconut oil, palm kernel/ babassu oil, linseed oil, maize oil, corn oil, castor oil, sesame oil, fixed vegetable fats and oils, edible margarine, sat fat, modified linseed oil, modified castor oil, specified goods of heading 1518 from 20 percent to 35 percent.

- Chapter 20:
 - HS Code 20091100: (orange juice) from 30 percent to 35 percent
 - HS Code 20091200: (orange juice) from 30 percent to 35 percent
 - HS Code 20091900: (orange juice) from 30 percent to 35 percent
 - HS Code 20092100: from 30 percent to 50 percent
 - HS Code 20099000: from 30 percent to 50 percent
 - HS Code 20098100: cranberry juice from 10 percent to 50 percent
 - HS Code 20099000: cranberry juice from 10 percent to 50 percent

- Chapter 21:
 - HS Code 210690: from 30 percent to 50 percent

The notification can be accessed from the website of Ministry of Finance: <http://www.finmin.nic.in/> at

the following link: <http://www.indiabudget.gov.in/ub2018-19/cen/dojstru1.pdf>

Date of Announcement: February 1, 2018

Date of Enforcement: February 2, 2018

Products effected: cashew nuts, fruit juices, crude edible vegetable oils, refined edible vegetable oils, and soft drink concentrates

Agency in Charge: Government of India's Ministry of Finance